

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	15896	Agenda Number	10.
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Meeting Date:	June 14, 2012
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Department:	Purchasing
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### Subject

Authorize award and execution of a 36-month revenue contract with APAC-TEXAS INC., for the sale of salvage reclaimed asphalt pavement for the Public Works Department in an estimated annual revenue of \$75,000, with three 12-month extension options with estimated revenue of \$75,000 per extension option, for a total estimated contract revenue of \$450,000.

### Amount and Source of Funding

The total revenue for Fiscal Year 2011-2012 is estimated to be \$18,750 and will be included in the Transportation User Fund.

### Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Sole bid received.
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Prior Council Action:	
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For More Information:	Erin Grace, Buyer I, 972-4017
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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### Additional Backup Information

This contract is to establish a revenue based contract for the sale of Reclaimed Asphalt Pavement (RAP). RAP is milled, pulverized, broken, or crushed asphalt pavement salvaged from existing street pavements. The Public Works Department (PWD), Street & Bridge Operations (S&B) currently produces this material in the normal course of roadway repairs and street re-paving projects. Street & Bridge will haul the RAP to the contractor's facility as it is produced or from yard stockpiles.

The annual estimated amount of RAP generated is approximately 25,000 tons and has a value of \$2 to \$5 per ton, depending on market conditions. Revenue generated will be returned to the Transportation User Fund/PWD S&B Operations to offset the cost of new hot mix asphalt.

The reclaimed asphalt pavement from PWD's street milling and repairs was previously considered a waste material suitable only for spot repairs of low traffic unpaved roadways like alleys and landfill roads. Recent advances in hot mix asphalt mix design now allow RAP to be recycled into new asphalt hot mix production, and the RAP now has a market value which this contract will capture.

MBE/WBE solicited: 0/3

MBE/WBE bid: 0/0

#### **PRICE ANALYSIS**

- a. Sole bid.
- b. Twelve notices were sent, with no response from the WBE.
- c. The pricing offered reflects a 25% decrease from the last contract award in May 2008.

#### **APPROVAL JUSTIFICATION**

- a. Sole bid.
- b. The Purchasing Office concurs with the Public Works Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.